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TITLE 405 OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES

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Emergency Rule  
LSA Document #06-607(E)

## DIGEST

Temporarily amends [405 IAC 8](#) provisions affecting eligibility and benefits under the Indiana prescription drug program. Temporarily amends the definition of benefits for enrollees. Temporarily repeals [405 IAC 6](#), [405 IAC 8-2-14](#), [405 IAC 8-2-23](#), and [405 IAC 8-6-2](#). Authority: [IC 4-22-2-37.1](#); [IC 12-10-16-5\(b\)](#). Effective December 29, 2006.

SECTION 1. ([405 IAC 8-2-15](#)) "Low-income subsidy" means either:

- (1) a full low-income subsidy;
- (2) or partial low-income subsidy;

as determined **and defined** by the Social Security Administration.

SECTION 2. ([405 IAC 8-2-17](#)) "Low-income subsidy determination" means a **notice of award or notice of denial** determination from the Social Security Administration as to an applicant's eligibility for the low-income subsidy.

SECTION 3. "Proof of income" means documentation of the income of an applicant and an applicant's family. Proof of income for the program should be provided by the Social Security Administration through the low-income subsidy application. If the Social Security Administration's low-income subsidy determination does not include an income determination, the office may ~~make an income determination using the same protocol that the Social Security Administration uses to determine~~ **ask the applicant to provide proof of income**.

SECTION 4. "**Unearned income**" means **income the applicant receives from a source other than employment including, but not limited to, Social Security, pensions, or income from assets.**

SECTION 5. ([405 IAC 8-3-1](#)) To be eligible for the program **benefits**, an applicant must be at least sixty-five (65) years of age.

SECTION 6. ([405 IAC 8-3-2](#)) To be eligible for the program **benefits**, an applicant's **gross** income must not exceed one hundred fifty percent (150%) of the federal poverty limit applicable to the individual's family size, as defined by the federal Office of Management and Budget. **A general income disregard of twenty dollars (\$20) is allowed and applied per household. It is deducted from the total monthly gross income when an income determination is made.**

SECTION 7. ([405 IAC 8-4-1](#)) (a) A completed applicant file will be processed by the office and must include verification of the following:

- (1) That an applicant has completed the Application for Help with Medicare Prescription Drug Plan Costs and received a determination from the Social Security Administration. **If the applicant is confident they will be denied low-income subsidy due to resources, HoosierRx may make the income and resource determination.**
- (2) Of an applicant's enrollment in a Medicare Part D plan that has contracted with the IPDP to provide state benefits in coordination with Medicare Part D.

(b) Applicant file information may be submitted to the office by mail or telephone, **facsimile**, or over the Internet.

(c) An applicant who does not have a complete applicant file will be determined pending. ~~Such an applicant may submit requirements necessary to complete their applicant file to receive a determination from the office. An applicant file that has been pending for more than sixty (60) calendar days may be closed and determined ineligible by the office. An applicant's initial file date will begin on the date the office receives documents requesting IPDP assistance.~~ **ineligible until the missing information has been provided.**

(d) After a completed applicant file has been processed and approved by the office, the office will notify the member's Medicare Part D plan of the member's eligibility for benefits under the IPDP.

(e) If the office receives an eligible applicant's completed applicant file on or before the fifteenth day of the month, the applicant shall be eligible for program benefits beginning the first day of the following month. If the

office receives an eligible applicant's completed applicant file after the fifteenth day of the month, the applicant shall be eligible to receive program benefits beginning the first day of the month after the following month.

(f) Following the expiration of the enrollee's last benefit period, the individual must have a redetermination of eligibility for IPDP benefits.

**SECTION 8. IPDP shall make an annual redetermination of each member's eligibility for program benefits by requesting information from member as needed to make such redetermination. Members must provide program with any requested documentation as needed to determine eligibility for 2007 IPDP benefits.**

SECTION 9. [\(405 IAC 8-6-1\)](#) (a) An eligible member may receive:

(1) premium assistance for the monthly premium cost of the:

(A) Medicare prescription drug plan; or

(B) Medicare-Advantage prescription drug plan. ~~and~~

~~(2) assistance with other Medicare prescription drug plan costs as defined in section 2 of this rule; if the member enrolls, or has been auto-enrolled, into a Medicare Part D plan that has contracted with the IPDP to provide such benefits.~~

(b) The amount of monthly premium assistance provided by the IPDP shall not exceed the ~~low income subsidy premium amount for the region, as determined by the Centers for Medicare and Medicaid Services.~~ **seventy dollars (\$70) per month premium assistance in calendar year 2007.**

(c) The premium assistance benefit shall be paid directly to the Medicare Part D Plan in which the eligible IPDP member is enrolled.

(d) Premium assistance provided by the IPDP will be reduced by the amount of premium assistance a member receives from the Centers for Medicare and Medicaid Services.

(e) The IPDP member is responsible for ~~any premium amount~~ **premiums** above the ~~low income subsidy premium per month.~~ **maximum amount set by the state.**

(f) IPDP premium assistance:

(1) may only be applied to the prescription drug portion of a Medicare-Advantage prescription drug plan's monthly premium; and

(2) shall not pay for the medical portion of the Medicare-Advantage prescription drug plan monthly premium.

~~(g) IPDP premium assistance shall not pay for any portion of the Medicare Part D premium related to late enrollment penalties.~~

SECTION 10. [\(405 IAC 8-6-3\)](#) (a) An eligible member may receive assistance for the monthly premium cost of the Medicare prescription drug plan or Medicare-Advantage prescription drug plan in which the member is enrolled. Premium assistance shall be available provided the IPDP member enrolls in a Medicare Part D plan that has contracted with the state to provide such benefits.

(b) The amount of premium assistance provided by the IPDP shall not exceed ~~the low income subsidy premium in the region, as determined by the Centers for Medicare and Medicaid Services~~ **seventy dollars (\$70) per month premium assistance in calendar year 2007.**

(c) The premium assistance benefit shall be paid directly to the Medicare Part D plan in which the eligible IPDP member is enrolled.

(d) Premium assistance provided by the IPDP shall be reduced by the amount of premium assistance a member receives from the Centers for Medicare and Medicaid Services.

(e) The IPDP member shall be responsible for any premium amount above the ~~low income subsidy premium per month.~~ **maximum dollar amount determined by the state.**

(f) IPDP premium assistance:

(1) may only be applied to the prescription drug portion of a Medicare-Advantage prescription drug plan's monthly premium; and

(2) shall not pay for the medical portion of the Medicare-Advantage prescription drug plan monthly premium.

(g) ~~IPDP premium assistance shall not pay for any portion of the Medicare Part D premium related to late enrollment penalties.~~

SECTION 11. ~~(405 IAC 8-10-1)~~ (a) The IPDP may contract with Medicare Part D plans to administer state assistance with Medicare prescription drug plan monthly premium. ~~and other Medicare Part D plan costs. Only Medicare Part D plans offering standard coverage that have a monthly premium at or below the low income subsidy premium amount may contract with the IPDP to administer the state's assistance with Medicare prescription drug plan monthly premium and other Medicare Part D plan costs.~~

(b) Medicare Part D plans contracting with the IPDP to administer state Medicare Part D assistance may place an IPDP logo on joint IPDP and PDP member prescription drug cards, if approved by the program, and shall do the following:

- (1) Accept electronic auto-enrollment records in a standard defined by the IPDP.
- (2) Only invoice the state for premium expenses up to the ~~low income subsidy regional premium, as determined by the Centers for Medicare and Medicaid Services.~~ **state maximum limit.**
- (3) ~~Administer the IPDP Medicare Part D assistance program. Per member expenses shall not exceed two hundred fifty dollars (\$250) in a calendar year, or other period of eligibility defined by the IPDP.~~
- (4) ~~Communicate IPDP assistance to the Centers for Medicare and Medicaid Services true out of pocket facilitator to apply towards members' true out of pocket expenses.~~
- (5) ~~(3)~~ Provide IPDP with claims data on IPDP members:
  - (A) in order for the IPDP to understand the utilization underlying its costs; and
  - (B) for reconciliation of incurred and paid amounts.
- (6) ~~(4)~~ Comply with all federal regulations pertaining to Medicare Part D plans as outlined in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

SECTION 12. ~~(405 IAC 8-10-2)~~ (a) The IPDP may contract with Medicare Part D plans to administer state Medicare Part D premium-only assistance. Medicare Part D plans offering coverage in the state of Indiana may contract with the IPDP to administer the state's Medicare Part D premium assistance programs.

(b) Medicare Part D plans contracting with the IPDP to administer the state's Medicare Part D premium assistance program may place a IPDP logo on joint IPDP and PDP member prescription drug cards, if approved by the program, and shall do the following:

- (1) Only invoice the state for premium expenses up to the ~~low income subsidy regional premium;~~ **maximum dollar amount** as determined by the ~~Centers for Medicare and Medicaid Services.~~ **state.**
- (2) Provide IPDP with data on IPDP members in order for the IPDP to understand the utilization underlying its costs and for reconciliation of incurred and paid amounts.
- (3) Comply with all federal regulations pertaining to Medicare Part D plans as outlined in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

SECTION 13. THE FOLLOWING ARE REPEALED: [405 IAC 6](#); [405 IAC 8-2-14](#); [405 IAC 8-2-23](#); [405 IAC 8-6-2](#).

SECTION 14. This document expires March 29, 2007.

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